

Glossary

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A

Absolute poverty

A person living in absolute poverty is not able to satisfy his or her minimum requirements for food, clothing or shelter. The *dollar a day* poverty line is accepted internationally as an absolute poverty line. (see *relative poverty*) (dfid 2001:174–186).

Adverse incorporation

where people are included in social, political and economic institutions and processes, but on extremely unfavourable terms.

Assets framework a framework

which can be used to identify the poor and vulnerable. The framework takes into account factors that cause *vulnerability* to poverty and considers these in relation to poor people's assets. It is part of the *sustainable livelihoods* framework (dfid 2001:174–186).

Accountability:

Liability of public and private power-holders to answer for their actions in discharge of their duties and to address problems and failures. Accountability means those exercising power are transparent about what they are doing and why; are monitored and have to report on their actions; and are held responsible by a variety of social, political and legal institutions with the ability to enforce compliance with specified rules, norms and policies.

Aggregate demand:

The total amount of a good or service that people in a given economy are both willing and able to buy.

Aid

The words 'aid' and 'assistance' refer to flows which qualify as Official Development Assistance (ODA) or Official Aid (OA).

Aid architecture:

The set of rules and institutions governing aid flows to developing countries.

Aid for trade:

Initiatives to enable developing countries to develop trade-related skills and infrastructure to expand their trade.

Anti-competitive practices:

Practices used by firms or countries to prevent the competitive functioning of markets.

Appreciation of currency:

When the value of a currency, expressed in terms of another currency, rises.

Administrative poverty

THE welfare states have singled out certain groups such as the elderly, the disabled, the unemployed, single mothers, low-income groups, and large families as eligible for public assistance.

AMENITIES

Amenities are resources which offer basic facilities for daily living. In the context of HOUSING policy, the idea is commonly operationalised in terms of specific items that are available to residents (Hole [9]). Facilities for personal hygiene include water supply, hot water, fixed baths or showers, washbasins, water closets and facilities for the disposal of waste water.

AREA DEPRIVATION

Area deprivation has at least three different meanings (Macintyre

[9]): A compositional meaning, whereby an area is considered to be deprived if it contains a large number of poor people. In

this case the spatial effects are entirely due to the concentration of poor people in a given area; there are no independent area effects.

B

Bonded labour people become bonded labourers by taking or being tricked into taking a loan for as little as the cost of medicine for a sick child. To repay the debt, they are forced to work long hours, seven days a week, 365 days a year. They receive basic food and shelter as 'payment' for their work, but may never pay

Balanced growth:

Growth that is distributed throughout the economy rather than concentrated in the hands of a few participants in economic activities.

Bilateral trade agreement:

Agreement between two countries setting out the terms of access to each other's markets.

Basic income

Basic income schemes have been proposed as one method of relieving poverty in industrialized countries (Thalter 1989). A basic income is a payment received by every person or household, which provides a minimum income and the amount is based only on age and family status, but is otherwise unconditional.

BASIC NEEDS

Firstly, they include certain minimum requirements of a family for private consumption: adequate food, shelter and clothing, as well as certain household furniture and equipment. Second, they include essential services provided by and for the community at large, such as safe drinking water, sanitation, public transport and health, education and cultural facilities. ... The concept of basic needs should be placed within a context of a nation's overall economic and social development.

BASIC SECURITY (SECURITY OF EXISTENCE)

Countries which formerly had a planned centralised economy based the organization of their societies on the principle of basic security. Ferge ([99]) defines the concept as a combination of security of employment, security of income and security of accommodation.

BEGGING

Asset vulnerability framework

The asset vulnerability framework utilizes the link between assets and vulnerability to explain both the reasons why people move in or out of poverty and how they cope and adapt to the situations they find themselves in. off the loan, which can be passed down through several generations (anti-slavery international.)

Balance of payments:

Account of a country's international transactions over a given period. Comprises the current account and the capital account.

Begging is a request for alms or charity for oneself. The act of begging is understood differently in different cultures but it is strongly associated with both poverty and dependency and widely stigmatized. Although charity was a religious duty in Christian cultures, itinerant begging in Europe was associated with marauding and the spread of disease (Briod 19 and concern with poor relief was a recurring issue in the Reformation (Salter 19).

Beveridge scheme

The Beveridge Report (Beveridge) is widely considered to be the foundation of the British WELFARE STATE and has been influential in the development of a range of other social security systems. The details are concerned with National Insurance. Beveridge believed that his scheme would be 'comprehensive', providing a 'national minimum' in circumstances where people had to rely on INCOME MAINTENANCE benefits. The press referred to coverage 'from cradle to grave'.

Bismarck an social insurance

Under Bismarck, Germany was the first nation to introduce a scheme of national insurance, covering sickness, industrial injuries and pensions.

BUDGET STANDARDS

Budget standards are one of the oldest methods of exploring living standards and setting poverty lines.

C

Capabilities

a term developed by amartya sen that refers to the

means which enable people to function. The term is distinguishes intrinsic and instrumental *capabilities* (income, education, health, human rights, civil rights etc). Sen's conceptualisation of poverty as capability deprivation focuses on the failure of some basic capabilities to function, for example, being adequately nourished, leading a long and healthy life, being literate. (Gordon and Spicker, 1999: 22)

Capability deprivation

Poverty defined in relation to the failure to achieve basic capabilities such as being adequately nourished, leading a healthy life or taking part in the life of the community. The emphasis on capabilities shifts focus away from money-based measures such as income or expenditure onto the kind of life the individual can live (dfid 2001:174–186).

Chronic poverty

Poverty experienced by individuals and households for extended periods of time or throughout their entire lives. Also called 'persistent poverty'. Chronic poverty must be distinguished from transitory poverty or being non-poor. [for a full definition see *chapter one*]

Common property

Resources/assets owned by a group or society whose use is not restricted to a single individual. Communal management is needed to make sustainable use of common property (dfid 2001:174–186).

Coping strategy

How a household responds when faced with an unexpected event such as illness, drought or unemployment. Typical responses include taking children out of school, drawing on support from the extended family or other households, or reducing expenditure on food and other items. In addition, some households may migrate (dfid 2001:174–186).

Covariate shock

An unexpected event that affects all the members of a group. An example is a drought, which typically reduces the agricultural output of all the households in a village. (see *idiosyncratic shock*) (dfid 2001:174–186).

Capital:

A stock of wealth used to produce goods and services.

Economists divide capital into physical capital (also called 'produced assets'), natural capital, and human capital.

Capital account:

Tracks the movement of foreign direct investment, portfolio investment and other exchanges of capital into and out of a country.

Capital controls:

Any policy intended to restrict the free movement of capital, especially financial capital, into or out of a country.

Capital inputs:

Human-made resources, eg machines, factories, offices. Capital is one of the factors of production.

Chronic poverty:

Poverty experienced by individuals and households for extended periods of time or throughout their entire lives.

Civil society:

The web of associations, social norms and practices that comprise the activities of a society as separate from its state and market institutions. Civil society includes religious organisations, foundations, guilds, professional associations, labour unions, academic institutions, media, pressure groups and political parties.

Commodity:

Basic mineral or agricultural product, which is either consumed directly as food or serves as a raw material for more complex products.

Comparative advantage:

Theory that countries are better off producing only goods that are relatively efficient to produce, and then trading such goods with other countries, rather than trying to produce all goods for themselves. Comparative advantage enables specialisation in more efficient production.

Competition policies:

Policies to ensure competition in markets, eg through restrictions on mergers or prevention of cartels (where two or more firms in the same industry fix prices and/or carve up the market and restrict the amount they produce).

Competitive advantage:

The factors giving a firm or a country an advantage over others. The competitive strength of an economy derives from the relative capacity of its enterprises in various sectors.

Conditionality:

Stipulation by lenders of conditions that borrowers must meet if they are to qualify for loans, such as agreement to introduce given economic policies or reform the structure of an economy.

Contagion:

When economic problems in one country spread to another.

Coping strategy:

How a household responds when faced with an unexpected event such as illness, drought or unemployment.

Counter-cyclical policies:

Policies that work against the cyclical tendencies in the economy (cf pro-cyclical policies), for example to cool down the economy when it is in an upswing, and stimulate it during a downturn.

Credit crunch:

When banks and other suppliers of credit suddenly stop lending.

Crowding out:

When the state discourages or 'crowds out' private sector efforts to (eg public spending acting as a disincentive to private investment).

Current account:

A country's international transactions arising from current flows, as opposed to changes in stocks that are part of the capital account. The current account includes trade in goods and services (including payments of interest and dividends on capital) plus inflows and outflows of transfers (such as foreign aid).

CALORIE- INCOME ELASTICITY (CIE)

The extent to which food intake varies with income (Lipton). As a general proposition, food intake represents a diminishing proportion of income as income increases: see ENGEL COEFFICIENT.

CHARITY

Although many activities are taken to be 'charitable' in different social contexts, charity is often identified with voluntary, benevolent donations, or acts of benevolence towards the poor.

CHILD MALNUTRITION

In 99 million children under the age of 5 were estimated to be suffering from MALNUTRITION, defined as having a weight-for-age which is more than two standard deviations below median weight-for-age (using the World Health Organization's standards). The greatest incidence of child malnutrition is found in South Asia, where 80 million children under 5 are malnourished (Ramalingaswami et al.

CHILD MORTALITY

In 1999, there were approximately 1 billion children in the world, 8 per cent of whom lived in developing countries (UN 99). Children in rich countries do not die from the common, preventable diseases of childhood. Children in poor countries do. Except in rare and isolated cases, measles, diarrhoea, malaria, pneumonia, and MALNUTRITION no longer claim the lives of children in the industrialized world.

CHILD POVERTY

UNICEF defines child poverty as those children who experience deprivation of the material, spiritual and emotional resources needed to survive, develop and thrive, leaving them unable to enjoy their rights, achieve their full potential or participate as full and equal members of society. (UNICEF)

CHRONIC POVERTY

This term has been favoured within the European Union by the organization Aide à Toute Détresse-Quart Monde, which has argued that chronic poverty results when the lack of basic security simultaneously affects several aspects of people's lives, when it is prolonged, and when it seriously compromises people's chances of regaining their rights and of resuming their responsibilities in the foreseeable future. (Thresinski Report of the Economic and Social Council of France 1981, cited in Duffy 1999)

COMMAND OVER RESOURCES

‘Command over resources’ was the phrase used by Titmuss to refer to the ability to use resources over time. This is often referred to in terms of income and wealth, but income does not always entitle people to use resources and ownership is not always a guarantee of use. The ability to incur debts (i.e. to gain credit) may also be important as a means of commanding resources. Command over resources is related to Sen’s concept of CAPABILITIES and to Drèze and Sen’s use of the word ‘ENTITLEMENT’ (Drèze and Sen 1989).

CLASS

A ‘class’ of people is defined in social science as a group identified by virtue of their economic position in society. In Marxian analyses, classes are defined in terms of their relationship to the means of production, and in developed countries poor people are primarily those who are marginalized in relation to the economic system. In the Weberian sense, classes refer to people in distinct economic categories: poverty constitutes a class either when it establishes distinct categories of social relationship (like exclusion or dependency), or when the situation of poor people is identifiably distinguishable from others.

CONDITIONALITY

This term refers mainly to the conditions attached to the receipt of INCOME MAINTENANCE benefits as a means of regulation of behaviour. Some conditions are essential to the nature and function of specific benefits: unemployment benefits, for example, require a person to be unemployed, and disability benefits require recipients to be disabled. Some conditions, like MEANS-TESTING, are usually understood as defining criteria for distribution and modes of operation.

CONSENSUAL METHODS

The consensual approach to the measurement of poverty was originally formulated by Mack and Lansley (1985). It is also known as the deprivation indicator approach, to distinguish it from the other empirical approach based on the public perception of poverty, which is the SUBJECTIVE POVERTY LINE or income proxy method. The deprivation indicator approach aims to discover if there are some people whose standard of living is below the minimum acceptable to society.

CONSUMPTION

Much of the discussion on poverty and standards of living in the industrialized countries has focused, particularly in the 1980s and 1990s, on using income (amended in various ways) to measure living standards (Saunders). However, Atkinson (1999) has argued that what determines people’s STANDARD OF LIVING is what they consume rather than what they receive as income.

CONVERSION CAPACITY

This refers to the ability to transform income into the means of meeting requirements (e.g. calorific intake). Conversion efficiency refers to the relative cost per unit of conversion; because poor people pay more for similar goods than others, their conversion efficiency is lower (Lipton 1999) ENGEL COEFFICIENT.

CONTEXTUAL POVERTY

In contextual poverty analysis the non-poor world and its institutions and their role in creating, sustaining and reducing poverty, are as important to understand as an insulated world of the poor. Within this perspective, the interaction between the poor and the non-poor is brought into focus, and poverty is seen as it is formed and treated by the non-poor world and its institutions. This important perspective has been largely neglected in research, thereby obscuring causes and processes involved in the production and continuance of poverty.

CULTURE OF POVERTY

This theory was developed from the studies of Oscar Lewis in Mexico, Puerto Rico and New York (Lewis). Lewis summarized some of the major characteristics as follows: On the family level, the major traits of the culture of poverty are the absence of childhood as a specially prolonged and protected stage in the life cycle, early initiation into sex, free unions or consensual marriages, a relatively high incidence of the abandonment of wives and children, a trend toward female- or mother-centred families... a strong disposition to authoritarianism, lack of privacy, verbal emphasis on family solidarity which is only rarely achieved because of sibling rivalry, and competition for limited goods and maternal affection.

CYCLE OF DEPRIVATION

The circumstances in which poor parenting, it is held, generates a cycle of inadequate development, and further poor parenting. This term was coined by Keith Joseph, a former Secretary of State for Social Services in the UK, who argued that ‘parents who were themselves deprived in one or more ways in childhood become in turn the parents of another generation of deprived children’ (cited in Holman).

D

Decentralization

the process of transferring control over, and administration of, services from national to local level (dfid2001:174–186).

Dependency ratio the ratio of economically- active household members to those who are economically dependant.

Deprivation

A lack of welfare, often understood in terms of material goods and resources but equally applicable to psychological factors, relative to the local community or the wider society or nation to which an individual, family or group belongs (gordon and spicker, 1999:37).

Depth

A measure of the average distance of poor individuals or households below the poverty line. The depth of poverty is also known as the poverty gap (dfid 2001:174–186).

DEPENDENCY

The sociologist Georg Simmel argued that ‘poverty’, in sociological terms, referred not to all people on low incomes but to those who were dependent (Simmel). In the literature relating to developed economies, the term ‘dependency’ is primarily used for people who receive social security benefits and transfer payments.

The dependency ratio

consists of the proportion of a population that is not economically active and that as a result consumes resources produced by others.

DEPENDENCY CULTURE

The term ‘dependency culture’ has been used to refer to the willingness of poor people to be financially

dependent. Although it is commonly represented as a recent development, the idea is ancient: for example, Benjamin Franklin wrote of the situation in England in that

there is no country in the world in which the poor are more idle, dissolute, drunken, and insolent.

Structural dependency

consists of dependency that is required as a result of social or industrial organization: the dependency of pensioners is structural, rather than being based on individual capacity.

Destitution

refers to the total, or virtually complete, absence of resources. Although indicative of *extreme poverty* it is not necessarily equivalent; a person may become destitute immediately through fire or natural disaster, while someone in chronic or extreme poverty may have experienced long-term malnutrition and disadvantage (gordon and spicker 1999:38).

Dimensions of poverty

The individual and social characteristics of poverty such as lack of access to health and education, powerlessness or lack of dignity. Such aspects of deprivation experienced by the individual or group are not captured by measures of income or expenditure (dfid 2001:174–186).

Disability

The outcome of the interaction between a person with an impairment and the environmental and attitudinal barriers that s/he faces (who’s international classification of functioning).

Discrimination

Refers to the institutional, environmental and attitudinal factors that work to exclude certain people from activities, organisations and institutions.

Displaced person:

(see internally displaced people)

Dollar-a-day

(\$us1/day) an *absolute poverty* line introduced by the world bank in 1990 to estimate global poverty. The dollar amount is revised over time to keep pace with inflation and now stands at \$1.08 in 1996 prices. This is converted into local currencies using *purchasing power parity* (ppp) exchange rates (dfid 2001:174–186).

Demand management: Measures and policies to control of the level of demand in the economy.

Depreciation:

A fall in the value of a financial asset or currency.

Deprivation:

A lack of welfare, often understood in terms of material goods and resources but equally applicable to psychological factors, relative to the local community or the wider society or nation to which an individual, family or group belongs.

DESTITUTION

Destitution refers to a total, or virtually complete, absence of re- sources. Although this is indicative of extreme poverty, it is not necessarily equivalent; a person may become destitute immediately through fire or natural disaster, while someone in chronic or ex- treme poverty may have experienced long-term malnutrition and disadvantage.

Deregulation:

The removal of controls on a particular market aimed at improving the economic efficiency of that market and therefore the performance of the economy at the microeconomic level. An example would be the abandonment of a licensing system for taxis.

Derivatives:

Financial assets that derive their value from other assets.

DEVELOPMENT

Development is conceived to be a continuing transformation of cul- tural, political, social, and economic conditions, patterns or situations of a region, society or country considered underdeveloped. Poverty is often linked to underdevelopment, and it should consequently be alleviated by development or developmental initiatives.

DISABILITY

Diversification:

Increasing the range of a country's production of goods and services.

DISQUALIFICATION (LA DISQUALIFICATION

Traditionally disability has been viewed as a state of being, a personal limitation understood primarily as a medical phenomenon.

Destitution:

Refers to the total, or almost complete, absence of resources. Although indicative of extreme poverty, it is not necessarily equivalent; a person may become destitute immediately through fire or natural disaster, while someone in chronic or extreme poverty may experience long-term malnutrition and disadvantage.

Devaluation:

Deliberate reduction of the official exchange rate at which one country's currency is exchanged for others.

Developmental state:

Variously defined concept, based on experiences in Latin America and particularly East Asia, referring to the commitment, legitimacy and capacity of a state to lead a process of national transformation through economic development.

Dimensions of poverty:

The wider individual and social characteristics of poverty (in addition to a lack of income) such as lack of access to health and education, powerlessness or lack of dignity. Such aspects of deprivation are not captured by monetary measures.

Discrimination:

Refers to the institutional, environmental and attitudinal factors that exclude certain people from activities, organisations and institutions.

DISADVANTAGE

A social relationship in which the position of one person is worse because the position of another person is relatively better. People may be disadvantaged in many contexts: in relation to poverty, the term most frequently refers to command over resources, the structure of opportunities and the distribution of power in a society.

SOCIALE)

describes social disqualification as a process which progressively brings together various fringes of the population in the sphere of professional inactivity and social assistance, while increasing for them the risk of an accumulation of difficulties or handicaps and the probability that they will

increasingly experience a breakdown of social ties.

Doha Round:

Current round of negotiations within the World Trade Organization launched at the WTO's 2001 ministerial conference in Doha, Qatar.

Dollar-a-day (US\$1/day):

An absolute poverty line introduced by the World Bank in 1990 to estimate global poverty. The nominal dollar amount is revised to keep pace with inflation (it stood at US\$1.08 in 1996 prices and was revised by the World Bank in 2008 to US\$1.25). This is converted into local currencies using purchasing power parity (PPP) exchange rates.

Dumping:

Exporting a product at a price lower than the domestic price or lower than its cost of production.

Dutch disease:

Damage to a country's other economic activities when a particular industry substantially expands its exports, with the revenue causing a real appreciation of the country's currency and making other goods more expensive for foreign buyers.

DISWELFARE

The view that society produces 'diswelfare' is a structural explanation of the causes of poverty. Titmuss () argued that people in poverty were the casualties of a competitive society. If there is not enough work, or if work is available only on restrictive terms, then some people will be unemployed.

E

Economic growth

an increase in a country's total output. It may be measured by the annual rate of increase in a country's gross national product (gnp) or *gross domestic product* (gdp) as adjusted for price changes. The increase in gnp, at constant prices per head of population, indicates changes in the average living standards in that country but says nothing about the distribution of the levels for different social groups around that average (dfid 2001:174–186).

Elite capture:

The way the elite within a community are able to control decision making or to appropriate resources for themselves.

Empowerment:

Process whereby people gain more power over the factors governing their social and economic progress, eg through increasing the incomes and assets of the poor; through interventions that aim to enhance confidence and self-respect; by developing collective organisation and decision-making; and by reforming political institutions to make them more inclusive. Empowerment is one aim of setting up participatory processes.

Equity:

The capital of a firm. The quality of being fair or impartial. Fairness in dividing the economic pie. Equitable economies involve benefits and costs being fairly shared within society.

Exchange rate: The rate at which one currency may be converted into another. For example, in December 2009 GB£1 could be exchanged for US\$1.61.

Exclusion:

The economic, political and cultural processes that lead to the isolation of some groups in society, such as women, ethnic minorities or the long-term unemployed. Different interpretations of this concept range from notions of discrimination to the social consequences of poverty.

Externalities:

Consequences for societal welfare (costs and benefits) that are not captured in the market price of a good; eg pollution is a negative externality if the producers do not pay the financial costs.

Endemic poverty

is caused by low productivity and poor resource base and results in low income, poor nutrition and poor health (see HEALTH AND POVERTY). In Africa and the Near East, the groups most vulnerable to endemic poverty are smallholders, small fisher- men and small herdsmen. Isolation, alienation, technological deprivation and lack of assets are characteristics of endemic poverty.

Empowerment

7 the process whereby people gain more power over the

factors governing their social and economic progress. This may be achieved through: increasing the incomes and assets of the poor; interventions that aim to enhance confidence and self-respect; by developing collective organisation and decision-making and by reforming political institutions to make them more inclusive. Empowerment is one aim of setting up participatory processes (dfid 2001:174–186).

ENGEL COEFFICIENT

Ernst Engel, a nineteenth-century German economist, postulated that as expenditure increases, so the proportion devoted to food will decline (CALORIE–INCOME ELASTICITY). Because of the difficulty found in justifying any particular level of expenditure on fuel, clothing and rent as a SUBSISTENCE minimum on scientific grounds, Engel's observation was used to construct subsistence poverty lines on the basis that a subsistence diet could at least be prescribed and costed.

ENTITLEMENT

Entitlement refers to the complex ways in which individuals or households command resources (Sen). In a narrower economic sense, it may be taken to refer to the distribution of purchasing power. Sen argues that it is the right to use resources, rather than the existence of the resources themselves, that is characteristic of extreme poverty.

Equality of treatment

This does not mean that everyone is treated the same: equality before the law does not mean that everyone is put in prison, and equality in health care does not mean that everyone has a tracheotomy. People are treated equally when they are treated on an equal basis – that is, without disadvantage, bias, prejudice or oppression.

Equality of opportunity

Rae distinguishes 'prospect-regarding' and 'means-regarding' senses. Prospect-regarding equality of opportunity allows people equally to participate in competition to achieve their ends. This is associated with the idea of social mobility and the principle of 'the career open to the talents', which was argued for in the French Revolution. Beyond equal treatment it means that people are not prevented from changing their status or life-chances. Means-regarding equality of opportunity demands that people have the means, or BASIC SECURITY, to be able to participate in competition on equal terms.

ECONOMIC DISTANCE

The term implies that poor people without a command over resources are significantly different from others in society. 'There is an inescapable connection between poverty and inequality: certain degrees or dimensions of INEQUALITY ... will lead to people being below the minimum standards acceptable in that society. It is this 'economic distance' aspect of inequality that is poverty' (O'Higgins and Jenkins)

Equivalence scales

a ratio applied to the poverty line to reflect the fact that children cost less than adults do. Two households with the same resources can have very different financial circumstances, depending upon the size and composition of the household (dfid 2001:174–186).

Exclusion

the economic, political and cultural processes that lead to the isolation of some groups in society, including ethnic minorities or the long-term unemployed. Different interpretations of this concept range from notions of discrimination to understanding the social consequences of poverty. Forced labour people illegally recruited by governments, political parties or private individuals, and forced to work – usually under threat of violence or other penalties (anti-slavery international).

EQUIVALENCE SCALES

are measures of the relative income needed by different types of families to attain a similar standard of living. They are frequently used in economic studies of poverty. Equivalence scales are usually expressed as a set of numbers; some arbitrarily chosen family or household type is taken as the base and its value is set equal to 1.

EXTENDED POVERTY MINIMUM

An extended poverty minimum (ligne de pauvreté minimale élargie) has been developed at the University of Ottawa, Canada (Genné), building on the UN HUMAN DEVELOPMENT INDEX (UNDP 1990). The extended poverty minimum consists of minimum expenditure on food plus essential expenditure on non-food items plus government expenditure on needs (BASIC NEEDS).

Food energy method

a method for deriving *absolute poverty lines*. It sets the poverty line by identifying the level of income or expenditure needed to obtain sufficient food to provide enough calories to meet the minimum energy requirement of an individual (dfid 2001:174–186).

Food insecurity

a situation that exists when people lack secure access to sufficient amounts of safe and nutritious food for equipment); 4. enterprise – entrepreneurial ability. The rate of growth an economy can manage depends on the quantity and the quality of the factors of production it has.

Financial liberalization:

Measures to relax capital controls and to open an economy to foreign loans, short-term investment and purchasers of shares in local companies.

Fiscal policy:

The set of decisions a government makes with respect to taxation, spending and borrowing. A fiscal deficit occurs when government expenditure exceeds revenue.

Fiscal stimulus:

The adjustment of government spending and tax policy to stimulate increased aggregate demand. Fiscal stimulus is a key counter-cyclical Keynesian strategy during economic downturns.

Fixed exchange rate:

A fixed exchange rate system is one where the value of the currency against other currencies remains exactly the same. Governments have to hold large stocks of foreign exchange in order to be able to intervene to hold the value of the currency stable. Monetary and fiscal policies also have to be directed to keeping the rate constant.

FAMINE

A famine occurs in circumstances where many people die from lack of food. Crow distinguishes this from chronic hunger:

FEMALE POVERTY

In both ‘developed’ countries and in ‘developing’ countries are more likely to suffer poverty than men (Scott ¶; George ¶Daly ¶; Payne ¶). According to Payne, ‘throughout their lives women are more vulnerable to both poverty and deprivation, whilst there are more women than men

normal growth and development and an active, healthy life. It may be caused by the unavailability of food, insufficient purchasing power or the inappropriate distribution or inadequate use of food at the household level. Food insecurity may be chronic, seasonal or transitory (fao).

Factors of production:

Resources necessary for production usually classified into four different groups: 1. land – all natural resources (minerals and other raw materials); 2. labour – all human resources; 3. capital – all man-made aids to production (machinery,

living in conditions of poverty and deprivation at any one time’. This is primarily related to the GENDER DIVISION OF LABOUR, by which men are held to require an adequate or FAMILY WAGE and women are not (see INTRA-HOUSEHOLD TRANSFERS).

FEMINIZATION OF POVERTY

This thesis holds that as a result of recession and cuts in public spending, women are increasingly represented among the world’s poor (Pearce ,Scott ; Rein and Erie). Particularly affected are single-parent families but also elderly single person households.

FOOD SHORTAGES

The Food and Agricultural Organization of the United Nations (FAO) has an international responsibility to monitor and identify countries and regions where serious food shortages and worsening nutritional conditions are imminent and make an early assessment of possible emergency food requirements, including food imports, food aid requirements, and emergency needs. Details of food shortages are publicized through the Global Information and Early Tharning System on Food and Agriculture (GIETHS).

FOURTH WORLD

This is a term used by the French organization ATD–Quart Monde to refer to people in chronic poverty in developed countries. It is linked, but not confined to, to the concept of EXCLUSION.

FUEL POVERTY

Fuel, for heating, cleaning or the preparation of food, is usually treated as an essential item for the purposes of subsistence. A lack of fuel (through lack of resources or entitlement) is consequently a major indicator of poverty, and a central part of the experience. The term ‘fuel poverty’, used principally in the UK (Cooper ¶8; Boardman ¶9), suggests that the lack of fuel is considered a form of poverty in itself (analogous to hunger or

famine), though typically fuel poverty consists of sacrificing some resources for others (like warmth for food, or vice-versa).

FAMILY WAGE

This idea suggests that wages should be sufficient to support a 'typical' family at a reasonable standard. It arose in nineteenth-century Britain, when the formal labour market began developing and the individual replaced the family as the unit of labour. Land (1981) points out that behind the concept of the family wage lie assumptions about the respective roles of women and men in both the home and the labour market: men's wages should be sufficient to support an entire family, whereas women's wages should only be supplementary or at most need be sufficient to support only one adult.

Food security:

Having sufficient nutritious food available to meet needs, either on the part of a country or a household, at all times.

Foreign direct investment:

Acquisition or construction of physical capital by a firm from one (source) country in another (host) country. Often involves transnational corporations, eg owning a foreign subsidiary or gaining a major stake in a firm of the host country.

Free-floating exchange rate:

A currency exchange rate that is determined by buyers and sellers without government intervention. A floating exchange rate system is where the external value of the currency is allowed to find its own value against other currencies.

Free trade:

Trade without artificial barriers such as tariffs and non-tariff barriers. Free trade agreements (eg bilateral or regional FTAs) involve reducing such barriers and reforming the regulation of trade and investment flows.

G

Geographic capital

Globalisation:

The increasing integration of economies, industries, markets, cultures and policy-making around the world.

Governance:

The rules, norms and processes that regulate the public

a combination of social, cultural, political, environmental and economic factors that are specific to a geographic area.

Gini coefficient

an aggregate numerical measure of income inequality ranging from 0 (perfect equality) to 1 (perfect inequality) (fao).

Global public goods

items that benefit everyone: for example, international research, environmental agreements or measures for conflict management and resolution (dfid 2001:179).

Gross domestic product (gdp)

the total value of all goods and services produced domestically by a nation during a year. It is similar to gross national product (gnp), which is the value of output produced by a country's labour and capital regardless of whether it is in the country or not (dfid 2001:179).

G8:

Grouping of the G7 countries (United States, Canada, Japan, Britain, France, Germany and Italy) plus Russia.

G20:

International forum of finance ministers and central bank governors from 19 countries and the 27-member European Union, plus the IMF and World Bank. Not to be confused with the G20 group of developing countries within the World Trade Organization.

General Budget Support:

Un-earmarked funding provided by international aid donors to central government, with conditions in theory focused solely on policy measures related to overall budget priorities.

Gini coefficient:

A measure of income inequality within a population, ranging from zero for complete equality (everyone has the same income), to one (one person has all the income).

realm, where state, societal and economic actors interact to make decisions. Governance goes beyond government to include relations between state, market and society. It concerns how decisions are made as well as the resulting actions and outcomes.

Good governance:

Various defined term referring to the quality of the

decision-making processes involved in best allocating and managing resources so as to respond to collective problems and promote the common good. It is characterised by participation, transparency, accountability, the rule of law, effectiveness and equity.

Government securities:

Bonds, notes and other debt instruments sold by a government to finance its borrowings.

Gross Domestic Product (GDP):

Total value of goods and services produced domestically by a country during a year.

Gross National Product (GNP):

The value of all goods and services produced in a country in a year (GDP) plus income residents have received from abroad, minus income claimed by non-residents. GNP may be less than GDP if much of a country's income flows to foreign persons or firms.

GNP per capita.

A country's GNP divided by its population. GNP per capita is a useful measure of productivity, but by itself does not measure people's wellbeing or a country's development success. It does not show how equally or unequally a country's income is distributed among citizens, nor does it reflect damage to the environment, or take into account unpaid work within households or communities or production in the grey (shadow) economy.

Growth incidence curve:

Plots the growth rate at each quintile of per capita income (or expenditure). The growth incidence curve graph can allow us to compare the incidence of growth in poorer segments of the population with that of richer segments or with the rate of growth of mean income (or expenditure).

GENDER DIVISION OF LABOUR

Thomen's primary role is assigned to the home whilst men's primary role is assigned to the labour market. Payne (1999: 9) notes the all-encompassing nature of the gender division of labour: women's low pay (and educational opportunities), women's inferior pension rights, women's position in social policy, and in particular the payment, or lack of payment, of state benefits to women, whilst also justifying higher male earnings, higher male pensions, and the lack of childcare facilities.

GENETIC EXPLANATIONS

Genetic explanations for poverty take it that the structure of rewards in society in some way reflect either the innate

capacity or the inherited behaviour of the citizens. At the end of the nineteenth century, social problems – like crime, social immorality and drunkenness – were considered by some to be the consequence of mental handicap. These characteristics were called the 'degeneracies'.

H

Headcount index (see *poverty headcount*)

Household life-cycle

the sequence of events (birth, death, marriage, moving together or away from other household members) which characterise the formation, growth and disappearance of a household. The household's likelihood of being in poverty is related to its position in the household life cycle (dfid 2001:179).

Human capital factors

such as knowledge, skills and health, which increase the productivity of the individual (dfid 2001:174–186). human development index (hdi) an index introduced by undp in 1990, which combines the three measures of life expectancy, educational attainment (itself a composite of literacy and school enrolment) and gdp per head. The index theoretically ranges from 0 for the least developed to 7 for the most (dfid 2001:179).

Heterodox:

Ideas and policies other than those endorsed by the prevailing wisdom of the period (orthodox).

High import intensity:

When an economy imports a large proportion of goods in proportion to its exports.

High risk financial instruments:

Financial assets which have monetary value where the potential value losses or gains are large.

Higher value-added exporting:

Exporting goods that have a higher level of value added, eg processed goods involving intermediate inputs rather than raw materials.

Human capital:

Factors such as knowledge, skills and health, which increase the productivity of the individual.

Human Development Index (HDI):

Index introduced by UNDP in 1990, which combines the three important development indicators: life expectancy, educational attainment (itself a composite of literacy and school enrolment) and GDP per head. The index theoretically ranges from 0 for the least developed to 7 for the most.

Human Poverty Index (HPI):

Composite index introduced by the UNDP in 1997, which focuses on those not achieving minimum standards of health, education and living conditions. This index contrasts with that of the HDI, which measures average achievements. This is probably the most common measure of poverty; it refers to the proportion of individuals, households or families that falls under the poverty line. If q is the number of people identified as poor and n the total number of people in the community, then the head-count ratio measure H is q/n . The head-count ratio ranges from zero (nobody is poor) to one (everybody is poor).

HOUSING

Housing is a major issue in the study of poverty as material deprivation, both because it is a major resource in its own right, and because it is often a precondition for the receipt of other resources. In developing countries, issues are closely involved with squatting, because the urban poor often lack entitlements to land tenure (Aldrich and Sandhu 1999). Squatter settlements often lack basic amenities and services and are characterized by poor physical conditions.

HOMELESSNESS

Homelessness is often referred to as being without shelter (or 'rooflessness'). In many societies people without shelter are able to construct their own, through SQUATTING (Aldrich and Sandhu 1999); in societies in which squatting is not permitted, people have to remain with no shelter.

HUMAN DEVELOPMENT

Human development is defined by the United Nations Development Program as follows: Human development is a process of enlarging people's choices. In principle, these choices can be infinite and can change over time. But at all levels of development, the three essential ones are for people to lead a long and healthy life, to acquire knowledge and to have access to the resources needed for a decent standard of living.

Human poverty index (hpi)

A composite index introduced by undp in 1997, which focuses on those who do not achieve minimum standards of health, education and living conditions. This index contrasts with that of the hdi, which measures average achievements (dfid 2001:179).

Human rights

They are general RIGHTS held by every person as a human being. In principle, human rights are moral tenets which apply to all. The Universal Declaration of Human Rights includes several rights to welfare (WELFARE RIGHTS), including 'the economic, social and cultural rights indispensable for [the individual's] dignity and the free development of his personality'

I

Idiosyncratic shock

an unexpected event that affects one household or individual. An example of an idiosyncratic shock would be the death of the breadwinner (dfid 2001:179).

Impairment:

an individual's condition – physical, sensory, intellectual or behavioural.

Incidence

the percentage of people living below the poverty line (dfid 2001:179). Income deciles and quintiles the population is ranked by income and divided into ten

Groups of equal size.

The bottom 10 per cent is the first or bottom decile. If divided into five groups the groups are called quintiles (dfid 2001:180).

Income (or consumption) poverty

poverty defined with respect to a money-based poverty line for income or expenditure. The distinction is made between this and other concepts that emphasise the many dimensions of poverty (dfid 2001:180).

Inclusive policies

policies which acknowledge that socially excluded, poor or vulnerable people are not a homogeneous group and have a right to be included in poverty alleviation and development work.

Income distribution

The allocation of national income between persons or households; an indicator of economic and social inequality where some people have more than others. (see *gini co-efficient*) (gordon and spicker 1999:71). Income inequality see income distribution

Income poverty

income is a key concept in almost all definitions and studies of poverty. Classically, income has been defined as the sum of consumption and change in net worth (wealth) in a period (gordon and spicker 1999:77). Internationally, the income poverty line is set at a dollar a day.

Indicator

a numerical measure of quality of life in a country. Indicators are used to illustrate progress of a country in meeting a range of economic, social, and environmental goals. Since indicators represent data that have been collected by a variety of agencies using different collection methods, there may be inconsistencies among them (world bank).

Indigence

a person who is indigent is in need and lacks the means for subsistence. The united nations economic commission for latin america has referred to an indigence line, which at half the value of the poverty line is supposed to cover only basic nutritional requirements (cited in gordon and spicker 1999:81). (see *extreme poverty, destitution*)

Infant mortality rate

statistical summary rate based on the number of infant deaths occurring during the same period of time, usually a calendar year, usually given in relation to 1 000 live births occurring among the population during the same year (unece).

Internally displaced people

idps are people who are displaced but remain within the border of their country of origin. Usually applied to people fleeing their homes because of an armed conflict, civil disturbance or natural disaster (cred).

Intra-household allocation

the way resources are distributed between members of the household on the basis of their age, gender and role of the household member (dfid 2001:180).

IMPOVERISHMENT

Impoverishment refers to the process of becoming poor, through 'slow processes' or sudden shocks, faced by individuals, households and communities. Examples include degradation of productive resources (pasture, fisheries, fields), erosion of commodity prices (cash crops, cattle, fish, labour), lack of employment, deprivation of means of subsistence such as land and water, and the weakening of local solidarity.

INCOME

Income is a key concept in almost all definitions and studies of poverty. However, 'income' is an extremely difficult concept to define and agree upon. The term is sometimes used loosely to refer only to the main component of monetary income for most households – that is, wages and salaries or business income. Others use the term to include all receipts including lump-sum receipts and receipts that draw on the household's capital.

INCOME DISTRIBUTION

The allocation of national income between persons or households. The distribution of income is an indicator of economic and social inequality, and the dispersion of income is frequently used as a measure of poverty in itself, although income distribution alone cannot identify the ability of any particular percentile to achieve a minimally acceptable standard of living.

INCOME SMOOTHING

Income smoothing refers to the redistribution of income over time. On an individual level, both saving (in the form, for example, of an occupational pension) and borrowing (for example for property ownership) may have the effect of relocating costs and benefits across an individual life cycle. Systems of social insurance similarly redistribute the income and consumption of a contributor over time.

Import substitution industrialisation (ISI):

A development strategy in which a country reduces its reliance on imports by encouraging domestic producers to provide the same goods or services, often through tariff

protection.

Inclusive growth:

Economic growth in which wealth is responsibly and sustainably generated and the benefits and rewards widely shared, optimising the welfare and participation of citizens.

INCOME MAINTENANCE

Income maintenance is a general term for the provision of financial resources when personal income is interrupted or insufficient. The term is often identified with SOCIAL SECURITY, but the idea of social security is used both more widely (including non-financial support and health insurance) and more narrowly (referring specifically to social insurance).

There are five main types of income maintenance benefit:

Inclusive policies:

Policies that acknowledge that society is not homogeneous and that socially excluded, poor or vulnerable people have a right to be included.

Income distribution:

The allocation of national income between persons or households; an indicator of economic and social inequality where some people have more than others.

Income (or consumption) poverty:

Poverty defined with respect to a money-based poverty line for income or expenditure. The distinction is made between this and other concepts that emphasise the many dimensions of poverty.

Industrial policy:

A set of policies to stimulate specific economic activities and promote structural economic change.

Inequality:

Uneven distribution of wealth, resources and wellbeing across members of society.

Inflation:

The rate of increase in the general level of prices, reflecting the decreasing purchasing power of a national currency.

Informal sector:

Refers to all income-earning production and exchange that takes place outside the formal and state-regulated economy.

Institution(s):

An organisation or group of related organisations created to serve a specific purpose. Can refer to the 'rules of the game' that govern economic, social and political life, both formal (eg, democratic elections according to statutory law) and informal (eg, cultural norms on inheritance practices).

Interest rate:

The rate of return on bonds, loans or deposits. An amount paid to a lender

Intermediate input:

An input to production that has itself been produced and, unlike capital, is used up in production. As an input it is in contrast to a primary input and as an output it is in contrast to a final good. A very large portion of international trade is in intermediate inputs.

Interventionism:

Economic governance that favours an active role for government in managing the domestic economy using a variety of policy tools.

Investment:

Placement of money in an organisation or activity in the expectation of earning more money from it.

K

Keynesian policies:

Economic doctrine associated with British economist John Maynard Keynes, which maintains that supply and demand in economies do not automatically reach equilibrium; government intervention is needed to manage demand and sustain employment.

Kilocalorie (kcal)

a unit of measurement of energy: 1 kcal = 1 000 calories. In the inter- national system of units (isu), the universal unit of energy is the joule (j). 1 kcal =4.184 kilojoules (kj) (fao).

L

Longitudinal study

a study that observes the same group of individuals, households or villages over time, also known as

panelstudy (dfid 2001:181).

Low-income country

a country having an gross national income (gni) per capita equivalent to \$755 or less in 1999. There are currently about 64 low-income countries where the standard of living is lower, there are few goods and services; and many people cannot meet their basic needs (world bank).

Low birth weight

new born infants who weigh less than 2.5 kg at birth (fao).

Marginalised

people those who are physically or socially remote (see also *exclusion*). They are by-passed by most economic, political and social activity and likely to have very precarious livelihoods (dfid 2001:181).

Labour-intensive:

Production process that involves a considerable amount of labour; the opposite of capital-intensive.

Laissez-faire:

The doctrine or system of government non-interference in the economy except as necessary to maintain [economic freedom](#).

Liberalism:

Economic liberalism favours limiting the role of government to activities that maximise market efficiency. It can recognise the importance of the state's role, but is often associated with *laissez-faire* policies that minimise state intervention.

Least Developed Countries (LDCs):

UN-designated category of low-income countries that face structural impediments to economic growth, including low income, low human development, a weak infrastructure and heavy dependence on the primary sector of the economy.

Low-income country:

A country having a Gross National Income (GNI) per capita equivalent to US\$755 or less in 1999. In 2009 there were about 64 low-income countries with a low standard of living, where there are few goods and services and many people cannot meet their basic needs.

LANDLESSNESS

Landlessness constitutes one of the key deprivations faced by the poor. It encompasses varied situations like absolute deprivation of land, but also insecure tenancy, informal occupancy, lack or negation of rights of property faced by rural workers, the rural poor and indigenous people, but also by the urban poor, the urban dweller and the informal urban population occupying informal settlements.

LESS ELIGIBILITY

The English POOR LAW Report of 1834 set the principle that the condition of the pauper should be 'less eligible' (that is, less to be chosen) than that of the independent labourer: a pauper's situation should 'not be made really or apparently so eligible as the situation of the independent labourer of the lowest class' (Checkland and Checkland)

LIVING STANDARDS MEASUREMENT STUDY

The LSMS Program is an initiative of the World Bank to obtain high-quality household and community survey data from developing countries. It provides comparable (and in many ways superior) data on developing countries to that provided on the industrialized countries by the LUXEMBOURG INCOME STUDY (LIS).

LOW INCOME CUT-OFFS

Low Income Cut-Offs (LICOs) are used in Canada to analyse poverty. LICOs were devised by Jenny Podoluk and have been published regularly by Statistics Canada since . Podoluk) found from the Survey of Family Expenditures for that, on average, urban families spent about per cent of their income on 'essentials' – food, shelter, and clothing.

M

Market failure

a situation in which markets do not function properly. A common cause of market failure is imperfect information. For instance, the difficulty of determining which potential borrowers are creditworthy is given as a reason for badly functioning rural credit markets and a rationale for the high interest rates charged by money lenders (dfid 2001:181).

Money-metric

a reference to poverty from a strictly income

perspective (dfid 2001:181).

Multidimensionality

multi-dimensional approaches capture a fuller range of deprivations that constitute poverty, and may give 'voice' to the poor and include non-monetary dimensions.

Macro-economy:

Refers to the variables or performance of an economy as a whole (eg growth, inflation and unemployment) or its major components, as opposed to micro-economy, which refers to individual industries, firms or households.

Market fundamentalism:

Insistence that the 'free market' and the 'free' play of market forces are best able to allocate factors of production and determine optimal rates of production of goods and services.

Market liberalisation:

Removing and abstaining from using state controls that impede the functioning of a market economy – for example, lifting price and wage controls and import quotas or lowering taxes and import tariffs.

Monetarism: Economic

theory holding that changes in the money supply affect aggregate demand for goods and services and thus inflation.

Monetary policy: The set of decisions a government makes, usually through its central bank, on the amount of money in circulation in the economy, the rate of interest and the exchange rate. A central bank can manipulate interest rates to achieve a rate of monetary expansion consistent with keeping inflation low and relatively stable.

MALAWI POVERTY PROFILE

a The world Bank paper outlined a strategy for growth in Malawi through poverty reduction. The profile identifies a poverty line of US\$ per capita per annum based on minimum nutrition requirements.

MARGINALITY

Marginality

It is sometimes used to refer to a process of being pushed to the margins of society, or in relation to the economic process, in both senses equivalent to EXCLUSION. This is the primary use in the European Union

Macro-economic policies:

The major policies used by governments (eg monetary and fiscal policies) to influence the level of employment, the price level, economic growth and the balance of payments.

Market failure:

Situation where a market does not achieve the optimal allocation of resources, eg as a result of imperfect information, anti-competitive practices or abuse of market power.

MEANS-TESTING

Tests of means are used to identify individuals and households on low incomes or resources as the basis for entitlement to benefit.

MIGRATION

Migration refers to movement of people from one locality to another. People migrate, voluntarily or involuntarily, into the same country or from country to another, due to diverse and complex causes. They do it in search of better opportunities and chances, or they are forced by political or economic crises, wars or natural disasters.

MILLENNIUM DEVELOPMENT GOALS

The Millennium Development Goals (MDGs), stated in the United Nations Millennium Declaration, are eight goals that UN member states promise to achieve by the year . Targets are associated with each goal, and indicators are associated with each target, as a way to define goals and provide verifiable measures of achievement .

N

National poverty lines

poverty lines drawn by national governments or national statistical offices to measure poverty. It is not possible to make comparisons between countries using national poverty lines as each is calculated on the basis of criteria specific to that country (dfid 2001:182).

Neoliberalism:

The combination of privatisation, liberalisation and deregulation policies that has prevailed in many countries since the 1980s and 1990s.

Newly industrialising economies:

Refers to a group of countries previously regarded as developing that have achieved high rates and levels of economic growth.

Non-traditional exports:

Goods a country has not traditionally produced but which have emerged as an important focus of exports (eg horticulture or cut flowers as opposed to established commodities such as sugar or coffee).

NEEDS

‘Needs’ commonly refer to the kinds of problem that people experience: for example, people who suffer from mental or physical impairments are deemed to have ‘needs’ on that basis. ‘In a general sense’, Feinberg writes, ‘to say that S needs X is to say simply that if he doesn’t have X he will be harmed.’

NEO- PHILANTHROPY

Philanthropy nowadays takes new forms, referred to by some authors as neo-philanthropy. It includes different forms of private and public social intervention with the poor that have a moral, symbolic and economic purpose.

NON- CONTRIBUTORY BENEFITS

Non-contributory benefits may refer either to benefits that are not insurance-based, and so have no requirement for contributions, or to benefits that have no test of contributions or of means. The latter use distinguishes them from MEANS-TESTED BENEFITS.

NORMATIVE STANDARDS

Norms are standards that are used as the basis for judgements about the adequacy of resources. The term ‘normative’ is consequently used to refer to both the imposition of expert judgements about standards and the use of moral judgements.

NEW POOR

The term ‘new’ poverty has been used to describe the effect of changing economic and social conditions on the relative vulnerability to poverty of different social groups. The new poor are ‘the direct victims of structural adjustment measures’

O

Oblasts

administrative and territorial divisions in some republics of the former soviet union.

OVERCROWDING

Overcrowding refers to the relationship between the number of people within a dwelling or home and the space or number of rooms available. Because poor people have a limited command over resources, the housing facilities they are able to occupy are likely to be less suitable than facilities available for other people.

Orthodox economic opinion:

Orthodox economists hold that the substance, manner and distribution of production are determined by individual preferences, technology and personal endowments. They believe that the state should not play any role that disturbs the natural economic order.

Overcrowding

poverty generally arises from population growth in areas of high agricultural productivity, which sustain large rural populations. In Bangladesh and eastern India, poverty is heavily concentrated in areas of high rural population density. Overcrowding poverty is characterized by material deprivation and alienation.

P

Panel survey quantitative longitudinal study.
(see *longitudinal study*).

Poverty correlates

the characteristics that are closely associated with being poor such as living in a rural area or having a large number of children. These can be used to target public expenditure in the absence of detailed information relating to every household (dfid 2001:183).

Poverty dynamics

changes in individual or household poverty status over time.

Poverty gap see poverty depth.

Poverty headcount

refers to the proportion of individuals, households or families that falls under the poverty line. Divides the number of people identified as poor by the total number of people in the community. The headcount ratio ranges from zero (nobody is poor) to one (everybody is poor) (gordon and spicker 1999:73).

A 'pauper'

It was a recipient of assistance under the laws which existed for the poor prior to modern welfare systems. Pauperism was the state of being poor or pauper requiring support from the community.

Poverty incidence see incidence.

Poverty line

represents the level of income or consumption necessary to meet a set of minimum requirements to feed oneself and one's family adequately and/or to meet other basic requirements such as clothing, housing and healthcare. Those with incomes or expenditure equal to or above the line are not poor. While what the minimum should be has an important subjective element, poverty lines are typically anchored to minimum nutritional requirements plus a modest allowance for non-food needs. (see *chapter one*).

PHILANTHROPY

Philanthropy refers to the giving or transfer of money or other resources, especially to the poor on the part of private sectors and groups – particularly middle- and upper-class sectors – for artistic, religious, instructional and humanitarian purposes.

Poverty severity

a static concept, capturing the fact that the poor are not equally poor to the same level. It is the average value of the square of depth of poverty for each individual. Poorest people contribute relatively more to the index. Also called Foster's index (or P_2) (ADB).

POOR LAW

The English Poor Law was the first national system for poor relief, introduced in 1998 and consolidated. It dominated social policy in Britain and exercised a

considerable influence in all English-speaking countries.

POVERTY DOMINANCE

Country B is poverty dominant over country A if there is more poverty in B than in A according to all possible poverty lines and according to all poverty indicators

POVERTY GAP

The poverty gap, sometimes called the average income shortfall of the poor, can be expressed in absolute terms or as a proportion of the poverty line.

POVERTY GAP INDEX (PGI)

The poverty gap index has been defined as the proportionate poverty gap normalized to the total population size.

POSITIONAL GOODS

Positional goods are items which are valued according to their impact on status or social position rather than their intrinsic use-value. The term was introduced by Fred Hirsch in a critique of economic growth

Poverty reduction strategy papers (prsp)

a national strategy for poverty reduction. All countries that are eligible for world bank concessional lending or for debt relief under the *heavily indebted poor countries (hIPC) initiative* are producing prss. The prs is intended to be the basis for all donor support, including the IMF and World Bank (DFID 2001:184).

Poverty spell

the period of time spent in poverty. In longitudinal studies, often the duration of poverty and the causes of the transition out of poverty are analysed (DFID 2001:184).

Poverty trends

how aggregate poverty levels change over time public goods a good that is provided for users collectively, see *global public good*.

Purchasing power parity (PPP): a method of measuring the relative purchasing power of different countries' currencies over the same types of goods and services. Because goods and services may cost more in one country than in another, PPP allows us to make more accurate comparisons of standards of living across countries. PPP estimates use price comparisons of comparable items but since not all items can be matched exactly across countries and time, the estimates are not always 'robust' (World Bank).

Pace and pattern of growth:

The characteristics of the growth process that, when taken together, comprise both the rate of economic growth and the way in which that growth is distributed throughout the economy.

Participation:

A process through which 'stakeholders' influence and share control over development initiatives and the decisions and resources which affect them.

Participatory poverty assessment:

An attempt to understand poverty dimensions within the social, cultural, economic and political environment of a locality or of a group of people, by prioritising local people's perceptions.

Participatory rural appraisals:

An approach to assessment and development in a rural setting that involves local community participation. It includes methods, approaches and behaviours that enable people to express their own ideas and reflect on and share their own needs and priorities. The community is empowered to be involved in actions, monitoring and evaluation of goals, projects, processes and outcomes.

PRECARIOUS LABOUR

Precariousness in relation to labour is defined by labour instability, absence of legal contracts (of employment abiding by legal standards), lack of protection and social benefits, collective agreements of employment, low wages.

PRECARIOUSNESS

Precariousness refers to the loss of forms of security and lack of fundamental rights, commonly related to some conditions of labour. There are two main classes of meaning. In France, the term *précarité* is used to refer to conditions of VULNERABILITY linked to sub-employment and economic marginality.

Patron-client relationship:

A mutually obligatory arrangement between an individual who has authority, social status, wealth or some other personal resource (the patron) and another person who benefits from his or her support or influence (the client).

Patronage politics:

Distributing favours to certain people or groups in order to receive their continued political support, for example granting contracts or making appointments to office.

Pegged exchange rates:

A regime in which the government or central bank announces an official value of its currency and then maintains the actual market rate within a narrow band above and below that by means of exchange market intervention.

Policy space:

The extent to which a government can flexibly determine its own policies, suited to the particular development needs and circumstances of the country, without outside pressures and constraints.

Political economy:

A branch of the social sciences that studies the interrelationships between political and economic institutions and processes. Political economists analyse how various types of government affect the allocation of resources in society through their laws and policies.

Political settlement:

The current framework for governance (upon which social and economic policies are based), developed through negotiations between the state, the private sector and civil society.

Poverty line:

Represents the level of income or consumption necessary to meet a set of minimum requirements to feed oneself and one's family adequately and/or to meet other basic requirements such as clothing, housing and healthcare.

Poverty Reduction Strategy Paper (PRSP):

A national strategy for poverty reduction.

PRSPs were introduced in 1999 by the World Bank and the International Monetary Fund as a new framework to promote poverty reduction and growth in low-income countries. They aim to better coordinate development assistance between governments and international donors, and have been a precondition for debt relief and concessional financing from both institutions.

Privatization:

Selling state-owned enterprises to private investors or transferring major responsibility for their management and operation to private sector actors.

Pro-cyclical policies:

Policies that avoid interfering with the cyclical tendencies

in the economy and allow them to take their course.

Purchasing Power Parity (PPP):

A method of measuring the relative purchasing power of different countries' currencies over the same types of goods and services. Because goods and services may cost more in one country than in another, PPP aims to make more accurate comparisons of standards of living across countries. A PPP estimate uses price comparisons of comparable items but since not all items can be matched exactly across countries and time, the estimates are not always 'robust'.

Progressive taxation:

A tax system where people in high income brackets are taxed proportionately more than those with low incomes. A progressive tax system will also see high-profit businesses taxed proportionately more than low-turnover micro- enterprises.

Protection(ism):

Using trade barriers (such as tariffs and quotas) to protect national producers from foreign competition. Employing such barriers in ways that are inconsistent with the principles of free trade.

Public sector:

The part of the economy that is not privately owned, either because it is owned by the state or because it is subject to common ownership. It includes the national government, local authorities, national industries and public corporations.

Public-private partnership:

When private firms, NGOs or other individuals and institutions work in partnership with government (eg in the delivery of services).

Q

Quota:

A government-imposed restriction on the quantity, and sometimes total value, of an imported product.

R

Refugees

those who are forced to cross inter- national borders because of conflict or political instability.

Relative poverty

poverty defined in relation to the social norms and standard of living in a particular society. It can therefore include the individual's ability to take part in activities that society values even if they are not necessary for survival. Relative poverty can also refer to the nature of the overall distribution of resources (dfid 2001:184).

Rights-based approach

an approach based on understanding of the links between development and civil, political, economic, social and cultural rights (dfid 2001:185).

Risk

understanding of the likelihood of events occurring, for example, on the basis of past Redistribution: A policy that taxes some individuals and high-income groups and uses the proceeds to pay transfers to others. Redistribution by government is usually through transfers, regulation or provision of public services.

Redistribution

dynamic vs static: Dynamic redistribution ensures that the poor receive an increasing share of the gains from growth while static redistribution involves a transfer of existing income from rich to poor. Dynamic redistribution addresses structural issues underpinning inequality.

Regional trade agreement:

An agreement among countries within a region to provide access to each other's markets (eg, as part of regional integration). The term can also refer to a group of countries within a region negotiating agreements with outside international trade partners (eg African countries with the EU).

Regulation:

Any government effort to influence the performance of the economy or the behaviour of economic agents, especially firms, within it.

Relative poverty:

Poverty defined in relation to the social norms and standard of living in a society. It can also refer to the nature of the overall distribution of resources.

Remittances:

Private transfers of money sent by international migrants and refugees to people in the country they came from. Remittances make a significant contribution to the economies of many developing countries.

Rent:

An economic rent is created when the price paid for a good or service exceeds the price required for that good or service to continue to be produced at the same rate.

Rent seeking:

Occurs when an individual, organisation or firm seeks to earn income by capturing economic rent through manipulation or exploitation of the economic environment, rather than by earning profits through economic transactions and the production of added wealth.

PROBLEM FAMILIES

The idea of the 'problem family' was originally linked to the eugenics movement. Definitions of a 'problem family' were many and varied, often focusing on rather vague and unquantifiable social dysfunctions such as household squalor, maternal incompetence and 'intractable ineducability'.

REDISTRIBUTION

Redistribution involves a transfer of resources from some people to others. Redistribution which transfers resources between richer and poorer people is described as 'vertical'; redistribution which transfers resources between different kinds of groups (for example, between people without children and those with children) is called 'horizontal'.

Experience. This concept contrasts with that of uncertainty, in which the likelihood is unknown. An individual or household may assess that the likelihood of a bad event, such as drought, occurring is high enough to alter their livelihood strategy (dfid 2001:185).

RELATIVE DEPRIVATION

In the work of Th.G. Runciman, relative deprivation is a process in which people compare their circumstances to those of other people to determine whether or not they should consider themselves deprived.

RESIDUAL WELFARE

Welfare that is provided as a safety net for people who are unable to cope through their own resources or by other means. It was proposed by Thilensky and Lebeaux as the alternative to the institutional model of welfare.

RURAL POVERTY

The United Nations International Fund for Agricultural Development (IFAD) estimates that over per cent of the poor people in the world live in rural areas of developing countries. Data from the late from developing countries, showed that 9 million people were living in poverty in rural areas, as defined by the INTEGRATED POVERTY index (IPI).

S

Scheduled castes

In India, a collection of castes formerly known as 'untouchables' (dalits) that have been 'scheduled' for positive discrimination in education and employment.

Scheduled tribes

In India, identified on the basis of certain criteria including distinctive culture and pre-agricultural modes of production.

Selectivity the allocation of development assistance prioritising those with good anti-poverty policies (dfid 2001:185).

Severe poverty

Persons who fall below a lower poverty line. For example, in 1993 the World Bank defined an upper poverty line of US\$ 1 income per day and extreme

poverty as persons living on less than US\$ 0.75 income per day (both in 1985 prices). These measures are converted into local currencies using purchasing power parity (PPP) exchange rates. Other definitions of this concept have identified minimum subsistence requirements, the denial of basic human rights or the experience of exclusion (dfid 2001:174–186).

Sex ratio

The relative proportion of males and females in a given population, usually expressed as the number of males per 100 females.

Slavery traditional or 'chattel' slavery involves the buying and selling of people. They are often abducted from their homes, inherited or given as gifts (anti-slavery international).

Social exclusion

see exclusion.

Social protection policies and programmes which aim to prevent and mitigate the shocks that create and maintain chronic poverty, and provide recovery assistance by protecting incomes and building the assets of the poor. Examples include pensions, and food for education programmes.

Spatial poverty trap

Geographical areas which remain disadvantaged, and whose people remain multi-dimensionally deprived and poor over long periods of time.

Stunting

Low height for age, reflecting a sustained past episode or episodes of undernutrition (FAO).

Sector productivity:

Output per unit input, usually measured either by labour productivity or by total factor productivity for a portion of the economy producing a particular category of goods or services, eg the agricultural sector or the banking sector.

Sequencing:

Order in, and pace at which, policy reforms are introduced.

SAFETY NETS

'Safety nets' generally refer to forms of protection which cover people in the event of failure of other systems of support. Social risks are covered through a variety of forms of social protection; vulnerability, by contrast, arises when

people who are exposed to risk are unable to avoid harm in consequence. Safety nets are primarily developed to protect people in the event of vulnerability.

SEN INDEX

The Sen Index is an alternative measure of poverty to the head count index and the poverty gap, intended to take into account both the depth of poverty and inequality. It can be argued that the extent of poverty in a given moment depends on:

SOCIAL CAPITAL

Social capital refers to the exchange of non-marketable goods, both tangible and intangible, in networks of social relationships

SOCIAL ECONOMY

Although there is a wide range of theoretical perspectives and experiences, social economy is distinguishable from other relationships of production and distribution in that it is a non-profit-oriented economy governed by the principle of SOLIDARITY.

Shock:

A sudden economic disturbance, such as a rise in the price of a commodity, the sudden disruption of trade and finance, or unexpected changes in the value of currency.

SOCIAL INSURANCE

A scheme in which benefits for social protection are conditional on the payment of contributions

SPEENHAMLAND SYSTEM

A system of allowances paid in Britain to labourers to supplement their wages, the amount of such allowances being related both to the prevailing price of bread and to the size of the labourer's family.

STANDARD FOOD BASKET

The calculated price of a set of basic foodstuffs (sometimes including basic commodities), and standardized, for example according to percentage of expenditure on food and size of household.

SURVIVAL STRATEGIES

The idea of 'survival strategies' was developed to explain how families manage on inadequate incomes.

SUBSISTENCE

The maintenance of a basic level of living, below which needs are not met. This is associated with the 'biological' approach, though not confined to it as subsistence may be viewed in terms of a broader view of needs.

Social protection:

Government measures to protect vulnerable members of society, such as cash transfers, food-for-work programmes or health services.

Standards and certification regimes:

Rules and/or procedures that specify characteristics that must be met for a product to be sold in national or international markets, typically to protect health and safety, the environment or living standards.

Statist policies:

Policies based on the view that the state has a major and legitimate role in directing the economy, either directly through state-owned enterprises and the machinery of government, or indirectly through economic planning.

Structural adjustment policies:

Economic policies that developing countries were obliged to follow in order to qualify for World Bank and International Monetary Fund loans to help them make debt repayments to commercial banks, governments and the World Bank and IMF. Their principles and features included export-led growth, privatisation, market liberalisation and the efficiency of the free market.

Subsidies:

State aid for domestic producers or exporters through direct payments and indirect contributions such as tax exemptions.

Super-tax:

A special high rate of tax paid by people or companies with a high level of income.

Supply and demand:

Amount of a good or service that is available at any particular price; amount of a good or service that people are willing and able to buy.

T

Targeting

the process by which expenditure is directed to specific groups of the population defined as poor or disadvantaged, in order to increase the efficiency of the use of resources (dfid 2001:186).

Trafficking

involves the transport and/or trade of humans, usually women or children, for economic gain using force or deception. (anti-slavery international).

Traumatic or sporadic poverty

it is often caused by natural or social calamities such as war, drought, floods, pests and labour displacement, which can produce occasional poverty with serious incidences of MALNUTRITION. Nomadic peoples are particularly vulnerable to this kind of poverty; however, natural and social calamities can affect all kinds of people in all parts of the world and they are a major cause of world poverty. Thar has caused poverty in former Yugoslavia and the USSR as well as in Rwanda and Angola.

TIP- CURVES

TIP stands for 'The Three Is of Poverty' (TIP): incidence, intensity and inequality, being the three dimensions of aggregate poverty. The TIP curve is obtained by ranking people from poorest to richest, accumulating their poverty gaps, and plotting them.

Transitional countries

those countries whose economies used to be centrally planned by the government but are now changing – or 'transitioning' – to base their economies on the market (world bank).

Transitory poverty

short term poverty. Poverty experienced as the result of a temporary fall in income or expenditure although over a longer period the household resources are on average sufficient to keep the household above the poverty line (dfid 2001:186).

Tariff:

A government-imposed tax on imports.

Terms of trade:

The price of a country's exports relative to the price of its imports.

Tiered Value Added Tax:

A tax regime that taxes the value added to a good or service, but varies the rate of VAT according to the type of good or service in question or to certain characteristics of the purchaser.

Trade barrier:

Measure raising the price of imports or restricting their entry (eg tariffs or quotas).

Trade deficit:

Negative balance when a country imports more than it exports.

Trade distortions:

Policies that alter the amount of trade, up or down, from what it would otherwise be.

Trade liberalisation:

Reduction of tariffs and removal of non-tariff barriers.

Trade shocks:

Net gains or losses from trade caused by changes in international prices and in the volume of goods and services that are traded internationally. Relates to shifts in global markets typically outside the influence of individual countries.

Transition economies:

Those countries whose economies were centrally planned but are now becoming market-based.

Transnational corporation:

Companies owning, controlling and managing assets in more than one country.

Transparency:

Sharing information and acting in an open manner.

Transparency allows stakeholders to gather information critical to uncovering abuses and defending their interests. Transparent systems have clear procedures for public decision-making and open channels of communication between stakeholders and power-holders, and make a wide range of relevant information accessible.

U

Undernourishment food intake that is continuously insufficient to meet dietary energy requirements (fao).

Ultra-poverty

this is another term for *extreme poverty*. It is sometimes specifically used to refer to those who spend more than 80 per cent of their income on food but obtain less than 80 per cent of their food energy needs. The low food intake of this particular group will affect their productivity and ability to get out of poverty (dfid 2001:186).

Upward pressure on the exchange rate:

Increase in the demand for the currency leading to a strengthening of the currency.

UNDERCLASS

The 'urban underclass' and the 'ghetto underclass' are two similar concepts which have emerged from research on poverty in the United States. Better-off African Americans have moved from the inner city to suburbia to join the white middle class

V

Vulnerability

relates to risk. People are vulnerable to poverty when they are more at risk than others (gordon and spicker 1999: 141–2). While *income poverty* may be reduced by borrowing; debt may make the

Washington Consensus:

Term originally coined by John Williamson then used generally to refer to the prevailing views held in the late 1980s and early 1990s by the international financial institutions and

poor more vulnerable (dfid 2001:186).

Value added:

Value of a good minus value of factors involved in its production.

Value chain: Describes the full range of activities that are required to bring a product or service from its conception to its end use and beyond, and includes activities, such as design, production, marketing, distribution, and support to the final consumer.

Value chain analysis:

Examination of the value chain of an enterprise to ascertain how much and at which stage value is added to its goods and/or services, and how it can be increased to enhance competitive advantage.

Volatility:

Frequency, size and irregularity of movements in a price or other variable.

Vulnerability:

A condition involving higher risk and reduced ability of people or countries to cope with shocks or negative impacts. It may be based on socio-economic condition, gender, age, disability, ethnicity, or other situations and characteristics that influence people's ability to access resources and development opportunities.

W

Wasting

low weight for height, generally the result of weight loss associated with a recent period of starvation or disease (fao).

Waves

the occasions on which a survey is conducted to make up panel data e.g. a three wave panel dataset has conducted comparable surveys at three different times on the same individuals or households.

governments of most industrialized countries regarding the desirable policy agenda for less-developed economies, Eg trade liberalization, privatization of state-owned enterprises, and reduction of state intervention in the economy.

References